

Fiscal Year 2019 First Quarter Earnings Report

August 2019

Property Agent Inc. (TSE First Section: 3464)

Fiscal Year 2019 First Quarter Summary & Topics

- Net sales ¥4.76 billion, operating income ¥320 million, ordinary income ¥250 million
Greater profits from sales price growth and pre-owned purchase resales
- The economic environment has not deteriorated as much as projected at the beginning of the fiscal year, and **results have been steady**
Our previous business policies and business strategies (the types of real estate we handle, development of select areas, maintaining customer attributes) have been successful
- Conservative business growth in order to **strengthen our financial structure and tolerate risk form market fluctuations**
- Preparations for the **real estate crowdfunding** business are progressing well
A preliminary public information site was opened on May 2019
We are also considering ways to acquire the greatest number of members
- Tracking the possibility for **increasing sales and profits for the 17th consecutive year** since our establishment

Fiscal Year 2019 First Quarter Financial Highlights

Unit: ¥1 Million

	FY2018Q1	FY2019Q1	% Change	FY2018	FY2019	Vs Prior Year	% Change
Real Estate Development and Sales	1,994	4,583	① 129.9%				
(Units Sold)	(60)	(150)	(150.0%)				
(Buildings Sold)	(0)	(4)	—				
Property Management	180	177	-1.7%				
(Rental Units Managed)	(2,569)	(2,795)	(8.8%)				
(Building Units Managed)	(2,456)	(3,115)	(26.8%)				
Sales	2,174	4,761	118.9%	21,534	22,000	465	21.6%
Real Estate Development and Sales	-56	275	—				
Property Management	13	50	② 274.0%				
Operating Income	-42	326	—	1,730	1,360	-370	24.0%
Ordinary Profit	-94	250	—	1,385	1,000	-385	25.1%
Net Income	-72	169	—	872	630	-242	26.9%
Operating Profit %	-2.0%	6.8%		8.0%	6.2%	-1.9%	
Ordinary Profit %	-4.4%	5.3%		6.4%	4.5%	-1.9%	
Net Income %	-3.4%	3.6%		4.0%	2.9%	-1.2%	
Net Income per Share (¥)	-10.89	23.90		126.16	88.98	-37.18	

◆ Real Estate Development and Sales

① **Revenue increased** due to an increase in the number of units sold for investment condominiums and steady urban apartment sales.

Significant contribution to profits due to higher sales prices than expected and strengthening pre-owned purchase resales.

◆ Property Management

② **Significant profit increase** due to securing rental income and reducing leasing-related costs through early leasing.

Fiscal Year 2019 First Quarter Balance Sheet Summary

Unit: ¥ 1 Million %

	FY 2019	FY 2020 Q1	Vs Prior Year	% Change
Cash and deposits	3,847	3,631	-216	-5.6%
Real estate for sale	5,634	4,350	-1,283	-22.8%
Real estate sale in progress	12,518	14,621	2,103	16.8%
Other	389	264	-125	-32.1%
Current Assets	22,388	22,867	478	2.1%
Fixed Assets	445	439	-5	-1.3%
Total Assets	22,834	23,307	① 473	2.1%
Interest Bearing Debt	6,098	7,107	1,008	16.5%
Other	2,600	1,404	-1,196	-46.0%
Current Liabilities	8,699	8,511	-188	-2.2%
Interest Bearing Debt	8,922	9,552	629	7.1%
Other	47	47	-	0.4%
Fixed Liabilities	8,970	9,600	629	7.0%
Total Liabilities	17,669	18,111	② 441	2.5%
Net Assets	5,164	5,196	③ 31	0.6%
Total Liabilities/Net Assets	22,834	23,307	473	2.1%
Flow Ratio	257.4%	268.7%	11.3%	
Capital Adequacy Ratio	22.6%	22.2%	-0.3%	

- ① Total assets increased by ¥473 million
 - Decrease in cash and deposits due to funding demands from the number of development properties completed in the fourth quarter
 - Regarding the completed inventory at the end of the previous fiscal year, sales have progressed smoothly and real estate for sale has decreased.
 - However, real estate for sales in progress increased due to active purchase of land for property development and development progress
- ② Total liabilities increased by ¥441 million
 - Interest-bearing debt increased due to financing for the acquisition of development land and borrowing of working capital to support the demand for funds.
- ③ Net assets increased by ¥31 million
 - Dividends were cut by ¥ 148 million
 - However, profits increased by ¥169 million
 - The capital adequacy ratio declined, but due to steady performance, it has not declined more than expected.